

**HB 1224 Electricity and Gas - Energy Suppliers - Assisted Customers**  
**Martha Yalov- AARP/GEDCO CARES**  
**Economic Matters Committee**  
**March 9th, 2020**  
**SUPPORT**

Good Afternoon Chairman Davis and Members of the House Economic Matters Committee.

I am Martha Yalov, a volunteer with AARP Maryland. I also volunteer through the Ignatian Volunteer Corps at one of their Partner agencies, GEDCO CARES (CARES).

**AARP and GEDCO support HB 1224 Electricity and Gas - Energy Suppliers - Assisted Customers.**

AARP is a nonpartisan, nonprofit, nationwide organization that fights for the issues that matter most to families, such as affordable utilities and protection from financial abuse. AARP-Maryland looks after the welfare of our citizens, and brings me to Annapolis to see what you are doing.

CARES is a component of GEDCO, Govans Ecumenical Development Corp, a 501-3(c) agency serving the needs of people living in four zip codes in Baltimore City. CARES helps people pay their utility bills. As a Fuel Fund site, it is able to disburse funds to low-income residents.

The Ignatian Volunteer Corps matches retired professionals who wish to volunteer with non-profit organizations serving the materially poor.

It's been about 2 years since I stumbled on a shadowy market that is as unknown as it is significant: the energy supplier industry. Populated by legions of number crunchers who create web sites that are designed to make people think about forest glades with Bambi grazing, they are actually the product of venture capitalists who trade certificates on virtual wholesale energy commodity sites. Every customer story is quirky and complicated to understand, but they are all the same: an unsuspecting person is convinced that they will get a lower price on their utility bill, probably while also "doing good" for the environment.

Who's been duped?

- A former hard-charging professional now living in semi-rural Howard County, and who travels to senior citizens groups to inform them about scams that prey on older Americans, himself was duped.
- A well-known local TV personality who has anchored our evening news and interviewed celebrities, finds out while hosting the interview of a disadvantaged inner-city resident that she has also been taken in by the same sort of company that has caused him to lose his power, and his housing.
- The environmental advocate in a tony Baltimore neighborhood who realizes to her horror that the "green energy" that she urged on her church and her friends was actually costing them high bills which were not really benefitting the environment.
- A church secretary in suburban Baltimore County learns why she has been "shivering in the dark, wondering why my bills are so high" when an advocate calls to warn her parish charity that they should look carefully at the suppliers on utility bills they help their neighbors and congregants to pay.

And household after household living in the poorest neighborhoods in Baltimore City troops into a local community resource center, only to find out that their BGE "Turn Off" notice could have been forestalled. If they had only realized that the fast-talking person at that table in front of Social Services, or the nice students from Morgan who knocked on the door, or the friendly agent inside Home Depot who asked if they wanted to save money on their BGE bill, or would like to find out if they qualify for a discount on their energy, or want a gift card, a "free month" from BGE, a 30% discount, a lower rate, that all of those people are free-lance agents, frequently hired off the street, given a script, advised to change the subject when they are asked questions, and paid "by the head" for signing up customers to a company that they neither really know, nor in any way understand.

What I have seen is that none of the individuals who are involved on the retail end. - from the agent who registers the new customer, and certainly the ratepayer, — none of them understand the actual business arrangement that are signing up for. In general, supplier folks I've helped don't know how to read the pages of fine print that comprise a BGE

residential bill, with columns of numbers next to abstract and unrecognizable terms. They frequently don't remember how or when they might have "signed up" for a supplier. None of them ever actually even saw a detailed contract, certainly not a full explanation of what energy supply even is, much less how to see what they are in fact paying per unit of electricity or gas.

Numerous times I have heard for clients that I've helped, "I told them no when they asked," "I refused to talk to them," "I always hang up when they call."

And yet low-income folks stuck in this mess are forced to find out who this "other energy company" is by poring over a confusing two or three page bill, finding a supplier phone number, waiting up to 10 minutes or longer "on hold," being subjected to lengthy "explanations" and "offers" for yet more "plans" after they have announced that they want to terminate service with a company which has no self-interest at all in answering the phone, or complying with the termination request.

The ratepayer does not understand why they can't just call BGE and ask to go back on regular supply service. What does "Multiple Suppliers" mean on the front of the bill? Why has the meter been read more than once? Where is the supplier toll free number to call? Which is the current supply company? What does "supply" mean anyway? Do "energy choice ID" numbers find their way onto a Dark Web site after you have been taken in once?

A utility bill can present huge risks for low-income/limited-income households.

The Ignatian Volunteer Corps offered CARES my background as a Masters' level social worker.

During the summer of 2018, patterns quickly appeared as I sat with each person, and did the math. Every instance was the same, there was an out-of-state 3rd-party energy company supplier, the rate per electric kWh &/or gas therm was higher. For each unit of energy, clients were paying suppliers more than they would have paid BGE. I have now personally aggregated over 120 households' energy bills, mostly folks with incomes less than \$1,000 per month. A high utility bill becomes a turn-off notice,

which may lead to eviction, loss of a prized subsidized housing certificate, and even loss of child custody, in short: a severe downward spiral in a person's life.

Also, in our little corner of Baltimore, three quarters are AARP age (age 50 or over), four in ten are Social Security age – 65, and frequently much older.

In fact, a typical utility assistance client at CARES is a 71-year-old African-American woman, living alone in a small row home. She has only a small Social Security income, she has a chronic health condition like diabetes or high blood pressure. She has never learned to use a computer. While on the street one day, our lady encounters a young person at a table on the sidewalk who asks to see her utility bill to confirm eligibility for a reward. A quick look, and she has been added to the list of “new customers” this supplier's sales agent will turn it in, collecting a fee “per head.” Our lady is soon paying from \$10 to \$50 or more per month and she doesn't even know how it happened.

HB 1224 is a no-nonsense way to protect vulnerable low-income Maryland citizens who have been tripped up – literally on the street, or by way of direct mail, cold calls on the phone, or knocks on their door — and promised reduced energy rates, gift cards, or other rewards that never come.

HB 1224 will interrupt the opportunity that lack of responsible guidelines left open for confused consumers to be taken in by the offer of the moment which obscured the consequences of the following months when the first low rate was replaced with higher and higher variable rates.

HB 1224 will reassure nervous consumers that they know their supplier is guaranteed to be the lowest cost.

HB 1224 will offer new opportunities for truly competitive companies to develop a new customer base and market share.

HB 1224 will allow energy assistance grants to cover the percentage of the utility bills that they are calculated to fulfill.

HB 1224 will stop the waste of Maryland's energy assistance grants which have been dissipated in inflated price charges.

We respectfully ask the House Economic Matters Committee for a favorable report on HB 1224. For questions please contact Tammy Bresnahan at [tbresnahan@arp.org](mailto:tbresnahan@arp.org).